



**LIONS GATE METALS INC.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2016**

The following discussion and analysis, prepared as of April 26, 2017, should be read together with the audited financial statements for the year ended December 31, 2016 and related notes attached thereto, which are in accordance with International Financial Reporting Standards. All amounts are stated in Canadian dollars unless otherwise indicated. This Management's Discussion and Analysis ("MD&A") provides relevant information on the operations and financial condition of Lions Gate Metals Inc. (the "Company") during the year ended December 31, 2016.

Forward-Looking Statements

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerable from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. The Company assumes no obligation to update its forward-looking statements to reflect results, changes in assumptions or changes in other factors affecting such statements. Additional information related to Lions Gate Metals Inc. is available for view on SEDAR at www.sedar.com.

Description of Business and Operations

Lions Gate Metals Inc. ("Lions Gate" or the "Company"), was incorporated pursuant to the Business Corporations Act of British Columbia on March 11, 1981 and its office is at Suite 918 – 1030 West Georgia Street, Vancouver, BC, V6E 2Y3. On June 20, 2014, the Company delisted from the TSX Venture Exchange ("TSX-V") and commenced trading on the Canadian Securities Exchange ("CSE") on June 23, 2014 under the symbol "LGM". The Company is an exploration stage company, is engaged in the evaluation and exploration of mineral property interests, and this activity is dependent upon management's ability to continue to procure adequate financing to investigate new exploration opportunities. Lions Gate is not aware of any contingent liabilities, legal proceedings, defaults or breaches, other than disclosed herein. Regulatory consent has been obtained for all significant transactions. There are no material deviations between the intended use of proceeds announced in financings and the actual use of those funds. Lions Gate currently holds interests in resource properties in Canada.

Finance

In November 2016, the Company closed a non-brokered private placement of 20,115,656 units at a price of \$0.075 per unit for gross proceeds of \$1,508,675. Each unit is comprised of one common share of the Company and one common share purchase warrant.

On November 24, 2016, the Company issued 1,333,333 units and 2,000,000 units at a price of \$0.075 in consideration of the debt settlement in the amounts of \$100,000 and \$150,000 respectively. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional share of the Company at an exercise price of \$0.10 per share until November 24, 2018.

Details of the financings can be found under "Liquidity and Capital Resources" below.

Mineral Properties

1. Poplar Property

In prior years, the Company entered into various option agreements to acquire a 100% interest in certain mineral claims, known as the Poplar mineral property interest ("Poplar 1, 2 and 3"), located in the Omineca Mining District of B.C. The Company has met all required cash payments and share issuances related to these option agreements, and have staked additional adjacent hectares ("Poplar 4") (collectively, "Poplar").

During the year ended December 31, 2014 the Company entered into an agreement with Aldever Resources Inc. (“Aldever”) to option a 100% interest, subject to existing royalties, in the Poplar property. During the year ended December 31, 2015, the Company received 1,500,000 Aldever shares with a fair value of \$195,000 as option payments and recorded an impairment of \$45,038.

On January 8, 2016, the Company amended its agreement with Aldever and received 2,500,000 of Aldever shares with a fair value of \$500,000. The agreement was defaulted by Aldever during 2016.

On November 1, 2016, the Company entered into a sale agreement to sell the Poplar mineral property for a consideration of 10,000 Class L Redeemable, participating preferred shares of Doctors Investment Group Ltd.. As the fair value of the preferred shares are not readily measurable, no value was attributed to the preferred shares. An impairment of \$2,231,663 on the Poplar property was recorded as a result of the sale of this property.

2. Whitford Lake

Pursuant to the terms of an Option Agreement dated February 18, 2013, and amended on August 26, 2013, with St. Jacques Mineral Corp., the Company has agreed to acquire an undivided 100% interest in the Whitford Lake property located in the Athabasca Basin in Saskatchewan. In September 2013, the Company entered into a Whitford Lake Option Assignment Agreement with Canadian Uranium Corp. (“CanU”), which was later amended on December 1, 2013 and August 18, 2014, whereby the Company would transfer all of its interest in the Whitford Lake Option Agreement to CanU. This property is subject to a 1% NSR one half of which can be purchased by the Company for \$750,000 less any NSR amounts previously paid.

During the year ended December 31, 2015, the Option Agreement for Whitford property went into default. The company did not extend the option agreement during the year ended December 31, 2016. Accordingly, the accumulated costs of \$304,799 were written off as at December 31, 2016.

3. Howard Lake

Pursuant to the terms of an Option Agreement dated September 18, 2014 with St. Jacques Mineral Corp. and Urania Resource Corp. (the “Vendors”), the Company can earn a 100% interest in the Howard Lake Project located on the northeast shore of Howard Lake in Saskatchewan. The property is subject to a 1% Gross Overriding Royalty (“GORR”) that has been granted to the vendors relating to the claims held by each of them. The Company may purchase half of the GORR (0.5%) from each vendor for \$1,000,000.

On August 20, 2016, the Company amended its option agreement with the vendors for the Howard Lake Option Agreement. The Company can earn 100% interest under the amended terms as follows:

- • Transfer 4,500,000 common shares of CanU shares to the Vendors; (completed in 2014)
- • Complete no less than \$500,000 in qualifying exploration expenditures on the property within 36 months of signing of the agreement;
- • Transfer 2,000,000 shares of Aldever to St. Jacques Mineral Corp. on or before the August 31, 2016; (completed at fair value of \$120,000)
- • Make a cash payment of \$100,000 to St. Jacques Mineral Corp. on or before the date which is 30 months following the date of signing of the agreement;
- • Make a cash payment of \$200,000 to Urania Resource Corp. on or before the date which is 30 months following the date of the signing of the agreement; and
- • Within 5 years of the signing of the Agreement, define a NI 43-101 compliant resource of no less than 10,000,000 lbs. copper and 25,000,000 lbs. nickel on the property.

During the year ended December 31, 2015, the Company recorded a write-down of \$38,667 due to the lapse of two claims with respect of the Howard Lake mineral property.

During the years ended December 31, 2016 and 2015, the Company expended the following on exploration costs on its properties as set out in the following tables:

	Poplar	Whitford Lake	Howard Lake	Total
	\$	\$	\$	\$
Balance, December 31, 2014	2,891,520	305,000	15,400	3,211,920
Acquisition costs				
Cash	-	-	78,781	78,781
Option payments paid (received) in shares	(195,000)	-	-	(195,000)
	(195,000)	-	78,781	(116,219)
Deferred exploration expenditures				
Consulting	-	-	21,819	21,819
Write down of mineral property	(45,038)	-	(38,667)	(83,705)
Balance, December 31, 2015	2,651,482	305,000	77,333	3,033,815

	Poplar	Whitford Lake	Howard Lake	Total
	\$	\$	\$	\$
Balance, December 31, 2015	2,651,482	305,000	77,333	3,033,815
Acquisition costs				
Option payments paid (received) in shares	(500,000)	-	120,000	(380,000)
	(500,000)	-	120,000	(380,000)
Deferred exploration expenditures				
Storage	12,058	-	-	12,058
Claim fees	-	-	6,160	6,160
Consulting	37,171	(201)	11,462	48,432
Miscellaneous	30,952	-	-	30,952
	80,181	(201)	17,622	97,602
Write down of mineral property	(2,231,663)	(304,799)	-	(2,536,462)
Balance, December 31, 2016	-	-	214,955	214,955

Selected Annual Information

	31Dec16	31Dec15	31Dec14
Revenue	\$Nil	\$Nil	\$Nil
Net Gain/Loss for the year	\$(3,667,688)	\$(264,426)	\$(2,585,127)
Loss per Share	\$(0.83)	\$(0.15)	\$(1.47)
Total Assets	\$1,309,773	\$3,185,178	\$3,375,044
Total Liabilities	\$45,246	\$193,891	\$172,228
Working Capital	\$988,848	\$(104,418)	\$(89,804)

Results and Discussion of Operations

Results of Operations for the years ended December 31, 2016 and 2015

The net loss for the year ended December 31, 2016 was \$3,667,688 compared to a net loss of \$264,426 for the same period in 2015, representing an increase of \$3,403,262.

The Company's net losses for the years ended December 31, 2016 and 2015 are summarized below:

	2016	2015
Amortization	\$ 1,166	\$ 5,130
Finance fees and bank charges	430	2,538
Consulting	250,000	-
Filing and transfer agent fees	31,246	17,101
Office, rent and administration	74,158	25,848
Professional fees	36,555	14,560
Marketing	167,777	-
Share-based payments	43,594	-
Travel, advertising and promotion	-	8,979
Finance income	(134)	-
Impairment of available-for-sale investments	-	68,102
Write-down of equipment	-	13,283
Write-down of mineral property interests	2,536,462	83,705
Write-off of accounts payable and accrued liabilities	(52,136)	-
Loss on sale of investments	370,846	25,180
Loss on settlement of accounts payable	207,724	-
Loss for the period	\$ 3,667,688	\$ 264,426

Consulting fees and marketing increased over the 2015 period as a result of hiring of corporate development, financing and marketing consultants in 2016.

Stock-based compensation of \$43,594 resulted from stock options granted in 2016 to the directors and consultants of the Company. The Company expects stock based compensation to fluctuate year over year as the Company issues options and upon vesting of already issued options.

Adjustment to prior year expenses in 2016 resulted in a gain of \$52,136 due to the reversal of provisions for variable costs in previous periods.

Write-down of mineral property interest of \$2,536,462 was incurred in 2016 as a result of Poplar property sale in 2016 and Whitford Lake property write-off as of December 31, 2016 as discussed in the "Mineral Properties" section above.

Most of the available-for sale investments were disposed of in 2016 resulting in realized loss of \$370,846 compared to a realized loss of \$25,180 in 2015.

The Company incurred loss on settlement of accounts payable in 2016 as a result of warrants valuation as part of shares for debt settlement discussed in "Liquidity and Capital Resources" section below.

Results of Operations for the three months ended December 31, 2016 and 2015

The net loss for the three months ended December 31, 2016 was 1,686,512 compared to \$207,638 for the same period in 2015, representing an increase of \$1,478,874. The primary reason was a net increase in write-down of mineral property interests of approximately \$946,094 from 2015 to 2016 as a result of sale of the Poplar property and abandonment of the Whitford Lake property. Other significant costs in the quarter that fluctuated were consulting fees of \$200,000 (2015 - \$Nil), office, rent and administrative expenses of \$20,048 (2015 - \$7,159), filing and transfer agent fees of \$18,095 (2015 - \$1,932), Professional fees of \$21,687 (2015 - \$650), impairment of available-for-sale investments of \$Nil (2015 - \$75,634), loss on sale of investments of \$145,314 (2015 - 25,180), write-down of equipment \$Nil (2015 - \$13,283), share-based payment of \$43,594 (2015 - \$Nil) and loss on settlement of accounts payable of \$207,724 (2015 - \$Nil). Other combined expenses incurred in the 2016 quarter were comparable with 2015.

Summary of Quarterly Results

	31Dec16	30Sep16	30Jun16	31Mar16	31Dec15	30Sep15	30Jun15	31Mar15
Revenue	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Net Income (Loss)	\$(1,686,512)	\$(1,933,494)	\$(39,859)	\$(7,823)	\$(207,638)	\$(13,048)	\$(23,865)	\$(19,875)
Total Assets	\$1,309,773	\$1,469,844	\$3,153,359	\$3,176,415	\$3,185,178	\$3,342,032	\$3,343,780	\$3,351,919
Total Liabilities	\$45,246	\$459,733	\$209,754	\$193,681	\$193,891	\$203,304	\$191,274	\$175,548
Working Capital	\$988,848	\$(449,367)	\$(130,960)	\$(112,887)	\$(104,418)	\$26,265	\$41,812	\$(126,260)

The September 30, 2016 loss included the Poplar property write-down of \$1,506,663 resulting from the November 2016 sale of the property and realized loss of \$218,994 on disposition of most of available-for-sale investments. The December 31, 2016 loss included the Poplar property write-down of \$725,000 resulting from the November 2016 sale, write-down of the Whitford Lake property of \$304,799 due to the abandonment, loss on sale of investments of \$145,314, and loss on settlement of accounts payable of \$207,724.

Liquidity and Capital Resources

The Company has no revenue generating operations from which it can internally generate funds and therefore has been incurring losses since inception. The Company has financed its operations and met its capital requirements primarily through the sale of capital stock by way of private placements and the subsequent exercise of share purchase warrants issued in connection with such private placements and the exercise of stock options. The Company also has raised funds through the sale of interests in its mineral properties. When acquiring interests in resource properties through purchase or option, the Company issues common shares or a combination of cash and shares to the vendors of the property as consideration for the property in order to conserve its cash. The Company expects that it will continue to operate at a loss for the foreseeable future and will require additional financing to fund the exploration of its existing properties and the acquisition of potential resource properties.

The Company reported a working capital surplus of \$988,848 at December 31, 2016 compared to working capital deficiency of \$104,418 at December 31, 2015. As at December 31, 2016, the Company had cash of \$1,025,475 compared to cash of \$18,377 as at December 31, 2015.

Current assets excluding cash at December 31, 2016 consisted of receivables of \$8,619. As at December 31, 2015, the Company had receivables of \$10,127, available-for-sale investments of \$58,528 and prepaid expenses of \$2,711.

Current liabilities as at December 31, 2016 consisted of accounts payable and accrued liabilities of \$45,246 which represents a \$148,645 decrease from December 31, 2015. The Company has no long-term debt.

At this time, the Company has no operating revenues, and does not anticipate any operating revenues until the Company is able to find, acquire, place in production, and operate a resource property. Historically, the Company has raised funds through equity financing to fund its operations.

On November 18, 2016, the Company closed a first tranche of a non-brokered private placement of 13,474,996 units at a price of \$0.075 per unit for gross proceeds of \$1,010,625. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional share of the Company at an exercise price of \$0.10 per share until November 18, 2018. The Company paid \$15,412 in cash as broker's fee, issued 458,100 finders' shares with a fair value of \$34,358 and issued 458,100 finder's warrants with a fair value of \$28,629 in relation to the financing. Each finder's warrant carries the same terms as those issued for the private placement. The fair value of finder's warrants was determined using the Black-Scholes Pricing Model using the following assumptions: Risk-free rate of 0.67%; Expected life of 2 years, Expected volatility of 125% and dividend yield of nil. All securities issued in the private placement are subject to a contractual resale restriction provided that one third of the securities will be released every four months from the November 18, 2016 closing date.

On November 24, 2016, the Company closed a second tranche of a non-brokered private placement of 6,640,666 units at a price of \$0.075 per unit for gross proceeds of \$498,050. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional

share of the Company at an exercise price of \$0.10 per share until November 24, 2018. The Company paid \$43,967 in cash as broker's fee, issued 189,880 finders' shares with a fair value of \$14,241 and issued 748,840 finder's warrants with a fair value of \$46,804 in relation to the financing. Each finder's warrant carries the same terms as those issued for the private placement. The fair value of the finder's warrants was determined using the Black-Scholes Pricing Model using the following assumptions: Risk-free rate of 0.67%; Expected life of 2 years, Expected volatility of 125% and dividend yield of nil. All securities issued in the private placement are subject to a contractual resale restriction provided that one third of the securities will be released every four months from the November 24, 2016 closing date.

On November 24, 2016, the Company issued 1,333,333 units and 2,000,000 units at a fair value of \$0.075 in consideration of settlements of accounts payable in the amounts of \$100,000 and \$150,000 respectively. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional share of the Company at an exercise price of \$0.10 per share until November 24, 2018. The fair value of the share purchase warrants was determined to be \$207,724 using the following assumptions: Risk-free rate of 0.67%; Expected life of 2 years, Expected volatility of 125% and dividend yield of nil. All securities issued in the settlement are subject to a contractual resale restriction provided that one third of the securities will be released every four months from the November 24, 2016 closing date. The Company recorded a loss on settlement of \$207,724.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements which may affect the Company's current or future operations or conditions.

Outstanding Share Data

On November 18, 2016, the common shares of the Company were consolidated on the bases of four pre-consolidation common shares for one post-consolidation common share. The Company's options and warrants were also consolidated on the same four for one basis. All shares are reflected on a post-consolidation basis unless otherwise noted.

Summary of Outstanding Securities as at April 26, 2017:

Authorized: Unlimited number of common shares without nominal or par value.

Issued and outstanding: 25,856,201

Stock options: 2,375,000 at an average exercise price of \$0.165 per Share.

Warrants: 24,655,935 at an average exercise price of \$0.10 per Share.

Risk Factors

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Mineral property exploration is a speculative business and involves a high degree of risk. There is a probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis to further the development of a property. Capital expenditures to support the commercial production state are also very substantial.

Matters related to the principal risks faced by the Company have been disclosed in previous MD&A's filed on SEDAR and continue to apply to the activity and business of the Company.

Related Party Transactions

During the years ended December 31, 2016, the Company entered into the following transactions with related parties:

(a) Related party transactions

The Company incurred the following transactions with companies controlled by former common officers:

	Years ended December 31,	
	2016	2015
	\$	\$
Geological consulting	11,000	11,000
Professional fees	-	650
Office services	54,900	24,000
	65,900	35,650

(b) Related party balances

At December 31, 2016 the Company has a balance of \$Nil (December 31, 2015: \$80,930) owing to the former directors of the Company and are included in accounts payable. Amounts due to the related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, unless otherwise noted. Amounts due to/from the related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

Fair Value of Financial Instruments

Lions Gate's financial instruments consist of cash, receivables, and trade payables. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments is approximately equal to their carrying values. As at December 31, 2016, the Company has \$1,025,475 in cash held in Canadian dollars in accounts with major Canadian banks. The Company does not use derivative instruments or foreign exchange contracts to hedge against gains or losses arising from foreign exchange fluctuations.

Capital Management

The Company's objectives when managing capital are to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern and maintain adequate levels of funds to support the acquisition, exploration and development of exploration and evaluation assets such that it can continue to provide returns to shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company's underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or sell assets to settle liabilities. The Company has no long-term debt and is not subject to externally imposed capital requirements.

The properties in which the Company currently has an interest in are in the exploration stage, as such, the Company does not recognize revenue from its exploration properties. The Company's historical sources of capital have consisted of the sale of equity securities, loans, advances from related parties and interest income. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed.

Critical Accounting Estimates

In the application of the Company's accounting policies, which are described in note 2 to the unaudited interim consolidated financial statements for the year ended December 31, 2016, management is required to make

judgments, apart from those requiring estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- the determination of the element of costs recorded as exploration and evaluation assets and determination of reclamation obligations;
- the classification of financial instruments; and
- the determination of the functional currency of the parent company and its subsidiaries.

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

Accounting Standards Issued but not yet Adopted:

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods after December 31, 2016. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded from the discussion below.

- IFRS 9 - Financial Instruments; and
- IAS 15 – Revenue from contract with Customers.

The Company does not expect the implementation of these standards to have a significant impact on the Company's results of operations, financial position and disclosures.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

Proposed Transactions

The Company is continuously evaluating new opportunities that could include a joint venture, a disposal of the project or a sale of the Company. While various negotiations may be ongoing at any given time, these may or may not be successful. The Company considers opportunities where there is expected to be significant value to the shareholders. At this date, the Board of Directors have not approved any transaction, nor presented any potential transaction to the shareholders.

Additional Information

Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

This document may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, the Company and its operations, its planned exploration activities, the adequacy of its financial resources and statements with respect to the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain

cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including “may”, “future”, “expected”, “intends” and “estimates”. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company’s interim and annual consolidated financial statements and management’s discussion and analysis of those statements, all of which are filed and available for review under the Company’s profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.